Majority Caucus • Jim Nussle, Chairman

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Volume 2, No. 15

Summarizing budgetary issues in legislation scheduled for the House floor

20 May 2002

Week of 20 May 2002

SUSPENSION CALENDAR

1) **National Medical Emergency Preparedness Act of 2002** (H.R. 3253). This bill does not increase direct spending (spending not subject to appropriations) or cause a decrease in revenue.



2) **Veterans` Major Medical Facilities Construction Act of 2002** (H.R. 4514). This bill does not increase direct spending or cause a decrease in revenue.



3) **Jobs for Veterans Act** (H.R. 4015). This bill does not increase direct spending or cause a decrease in revenue.



4) Veterans' Compensation Cost-of-Living Adjustment Act of 2002 (H.R. 4085). This bill changes a variety of veterans' programs, including disability compensation, dependency and indemnity compensation [DIC], housing, insurance, and readjustment benefits. The bill would increase direct spending by \$25 million in 2003, and \$101million over the 2002-2006 period. Spending could increase by negligible amounts in fiscal year 2002. Because the bill would not breach the Veterans Committee's allocation under the fiscal year 2002 budget resolution, it is not subject to section 302(f) of the Budget Act.

5) Robert J. Dole Department of Veterans Affairs Medical Center Designation Act (H.R. 4608).



This bill has no budgetary implications.

6) Recognizing the Members of AMVETS for Their Service to the Nation and Supporting the Goal of AMVETS National Charter Day (H.Con.Res. 314). This resolution has no budgetary implications.



7) Expressing the Sense of the Congress That Continual Research and Education into the Cause and Cure for Fibroid Cancer Be Addressed (H.Con.Res. 165). This resolution has no budgetary implications.



This resolution has no budgetary implications.

8) Recognizing the Importance of Good Cervical Health and of Detecting

8) Recognizing the Importance of Good Cervical Health and of Detecting Cervical Cancer During Its Earliest Stages (H.Con.Res. 309).



This resolution has no budgetary implications.

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PLEASE NOTE: This document addresses budgetary issues only. It should not be taken to express support or opposition on any other grounds. A green flag indicates no serious budgetary or budget compliance concerns. A yellow flag indicates moderate or potential problems. A red flag indicates serious problems. Note: Floor schedules and legislative details are subject to change after publication.

This document was prepared by the majority staff of the House Committee on the Budget. It has not been approved by the full committee and may not reflect the views of all the committee's members.

9) Dot Kids Implementation and Efficiency Act of 2002. (H.R. 3833).



This bill amends the National Telecommunications and Information Administration Organization Act. It directs the Secretary of Commerce to establish and oversee an Internet domain within the U.S. that provides access only to materials suitable for minors. It requires the selected registry, as a condition of contract renewal, to provide and implement written content standards for the new domain and a process for the removal of content that does not meet them. Additionally, the bill requires the Commerce Department to publicize the availability of the new domain and to educate parents of minors on how to use it. Based on the information from the Department of Commerce, the Congressional Budget Office [CBO] estimates that launching a publicity and education campaign for the new domain would cost less than \$500,000 per year, subject to the availability of appropriated funds. Enactment of H.R. 3833 would not increase direct spending or cause revenues to be reduced. This bill does not violate the Congressional Budget Act.

10) Child Sex Crimes Wiretapping Act of 2002. (H.R. 1877).



The bill amends the Federal criminal code to authorize the interception of wire, oral, or electronic communications in the investigation of child pornography, felony coercion and enticement to engage in prostitution or other illegal sexual activity, and felony transportation of minors to engage in prostitution or other illegal sexual activity. According to CBO, enactment of this bill would not have a significant effect on direct spending or receipts. It would affect receipts to the extent that those prosecuted and convicted under H.R. 1877 could be subject to criminal fines. Collections of such fines are recorded as revenues. Although the criminal fines may increase revenues, the criminal fines are too speculative to quantify. The bill has no other budget implications and therefore will not violate the Congressional Budget Act.

11) Mychal Judge Police and Fire Chaplains Public Safety Officers' Benefit Act of 2002. (H.R. 3297).



This bill amends the Omnibus Crime Control and Safe Streets Act of 1968 to include police and fire department chaplains killed in the line of duty among persons who qualify to receive public safety officer death benefits. The bill provides that, if there is no surviving spouse or surviving child, benefits are paid to the person designated by the officer as beneficiary under that officer's most recently executed life insurance policy. (Current law restricts the beneficiaries to the spouse, child, or parent.) Aside from the 10 cases resulting from the attacks of 11 September 2001, there have been no such cases reported in recent years. According to CBO, enactment would increase direct spending by about \$2 million in fiscal year 2002, and by less than \$500,000 in each year thereafter. Enactment of this bill would cause the Committee to exceed its allocation for fiscal year 2002 causing a violation of section 302(f) of the Congressional Budget Act. Additionally, the bill would violate section 401 of the Budget Act by creating a new entitlement in the current fiscal year.

12) Embassy Employee Compensation Act. (H.R. 3375). This bill directs the Attorney General to provide compensation



for American citizens who were victims of the bombings of the United States Embassy in Nairobi, Kenya and of the United States Embassy in Dar es Salaam, Tanzania, on 7 August 1998. It authorizes payments for physical harm, economic losses and noneconomic losses such as physical and emotional pain or loss of enjoyment of life for individuals present at either of the bombings or their immediate aftermath. Additionally, it allows relatives of an individual killed to collect on behalf of the deceased. At the time of publication, the cost estimate was unavailable. CBO expects that enactment of the bill would result in several dozen additional claims through the Victims' Compensation Fund. The claims are expected to consist of one dozen deceased victims and 47 injured. Each claim is different and more severe claims may pay out in the vicinity of \$1 million dollars per claim depending on the individual circumstances. The direct spending effect is still being assessed, but the 5-year total is expected to be below \$50 million. None of the claims will be finalized in fiscal year 2002. This bill would likely result in the Committee exceeding its allocation for the 5-year period of fiscal years 2002-2006 and therefore be subject to section 302(f) of the

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Budget Week Page 2 Budget Act for that period. Because the bill will likely cause some additional direct spending in 2003, it will also be subject to section 303 of the Budget Act.

13) Encouraging Work and Supporting Marriage Act of 2002 (H.R. 4626). This bill accelerates the phase-in of tax relief for those subject to the marriage penalty. The bill: increases the standard deduction, for married couples filing jointly, from 167 percent of the deduction for a single filer to 170 percent in 2003 and 2004; and then raises it to 174 percent in 2005. The bill also combines the existing work opportunity and welfare-to-work tax credits for employers hiring people from certain high-risk groups. The bill will cause a revenue loss of \$907 million in fiscal years 2003-2007. Under the budget resolution currently in force, this bill would be subject to section 311 of the Budget Act, which prohibits bills from being considered that cause revenue to be below that provided for in the budget resolution. It would also be subject to a point of order under Section 303(a) of the Budget Act because it contains provisions that first become effective in fiscal year 2003. Section 303(a) prohibits legislation that has budget effects in a year for which a budget resolution has yet to be passed. If, however, the budget resolution passed by the House on 20 March 2002 (H.Con.Res. 353) were deemed to be in force, the bill would be fully compliant with the Budget Act. Because H.Con.Res. 353 specifically provided for reductions in revenue both in fiscal year 2003 and over the 5-year period, it could easily accommodate this legislation.

14) Bob Hope Veterans Chapel Designation Act (H.R. 4592)



This resolution has no budgetary implications.

LEGISLATION CONSIDERED UNDER A RULE

Bill: Afghanistan Freedom Support Act of 2002 (H.R. 3994).

Committee: International Relations

Summary: This bill authorizes the President to provide assistance for Afghanistan through 2004 for: 1) urgent humanitarian needs; 2) repatriation and resettlement of refugees and internally

displaced persons; 3) counternarcotics efforts; 4) reestablishment of food security, rehabilitation of agriculture, improvement in health conditions, and reconstruction of basic infrastructure; 5) reestablishment of Afghanistan as a viable nation-state through support for democratic and market-based institutions; and 6) support for establishing a market economy, private financial institutions, a telecommunications infrastructure, and trade and commercial links. The bill authorizes the President to provide and direct the drawdown of defense articles and services and military education to the Government of Afghanistan. It makes other foreign countries or international organizations eligible for such assistance; and permits counter-narcotics, crime control, police training services, and other specified

support.

Summary:

According to CBO, this bill would authorize the appropriation of \$1.05 billion for Cost:

> humanitarian and economic assistance over the 2002-2005 period, and an indefinite amount for military assistance. CBO estimates implementing H.R. 3994 would cost \$1.2 billion over the 2002-2007 period, assuming appropriation of necessary funds. This estimate assumes the amounts authorized for 2002 would be provided in a supplemental

appropriation. This bill would not affect direct spending or receipts.

Budget Act: The bill does not violate the Congressional Budget Act.

Supplemental Appropriations for Fiscal Year 2002 Bill:

Committee: **Appropriations**

The supplemental appropriations bill, reported by the House Appropriations Committee on

16 May 2002, appropriates \$29.4 billion in fiscal year 2002 budget authority, or \$2.3 billion more than the President's request of \$27.1 billion. Nevertheless, except for

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Budget Week Page 3 amounts designated as "contingent emergencies" – which will be spent only at the President's discretion – the measure as reported does not exceed the levels requested by the President.

The measure increases Defense funding by \$2 billion of which \$1.4 billion was added on a contingent basis to the Defense Emergency Reserve Fund for mobilization and military operations. It funds the President's New York City request of \$5.5 billion. It reduces the request for the Transportation Security Agency by \$550 million and caps the number of permanent positions at 45,000. It reduces the President's proposed National Emergency Grants from \$750 million to \$300 million. These items are all designated as "emergencies."

The measure also includes the following regular appropriations: \$1 billion for Pell Grants; \$450 million for election reform grants; \$417 million for veteran's medical care; and \$75 million for the Special Supplemental Feeding Program for Women, Infants, and Children [WIC]. These items are offset by \$393 million in savings by suspending the airline loan program for the rest of fiscal year 2002; a \$600-million rescission in Department of Housing and Urban Development unobligated balances; \$450 million in the Export Enhancement program; \$250 million in air carrier compensation; \$60 million in the International Assistance Economic Support Fund; \$59 million in defense procurement; \$14 million in the Treasury Department; and \$750,000 in the Office of Management and Budget [OMB]. It also rescinds \$159 million in International Assistance programs and \$30 million in a National Institutes of Health building project.

Cost:

The measure designates \$29.4 billion in budget authority as "emergency" funding requirements. Of this amount, \$5.2 billion are "contingent" emergency appropriations and therefore may only be spent if the President certifies they are emergencies. The President had requested \$2.7 billion in contingent emergency funding. This measure reports \$2.0 billion in regular, nonemergency requests, which are offset by the rescissions previously described.

Budget Act:

A CBO estimate for the Supplemental Appropriations measure was not available, because the Appropriations Committee does not make it public until the bill is filed, which will occur sometime on the evening of Monday, 20 May 2002. The Budget Committee does expect that emergency spending will be so designated and therefore will make appropriate adjustments in the allocation of budget authority to the Appropriations Committee. All nonemergency spending is offset by reductions in budget authority in other programs.

The bill will violate section 306 of the Budget Act, which prohibits consideration of legislation in the jurisdiction of the Budget Committee unless it has been reported by the Budget Committee. This bill includes legislation increasing the highway category outlay cap, which is in the jurisdiction of the Budget Committee. The Chairmen of the Transportation Committee and the Budget Committee also exchanged letters to clarify that the Budget Committee retains jurisdiction over the Deficit Control Act, which is affected by this provision.

Any amendment to increase net budget authority will be subject to a point of order under Section 302(f) of the Congressional Budget Act.

The rule providing for the consideration of the Supplemental Appropriations measure is expected to insert language related to the debt limit, trade, and Medicare. The provision on the debt limit is not expected to specifically raise the level, but rather allow it to be discussed within the jurisdiction of a conference committee. The provisions related to trade and Medicare are technical and have no budgetary consequence. The Budget Committee fully expects that the rule will deem the House-passed budget resolution, H. Con.Res.353, as in force in its entirety for the consideration of measures brought to the House floor. This is necessary to apply budget discipline for congressional spending. The Supplemental Appropriations also violates clause 2(e) of House Rule XXI by

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including nonemergency provisions in an appropriations measure that includes spending designated as emergencies.

Bill: Conference Report on the Bioterrorism

Preparedness Act of 2002 (H.R. 3448).

Committee:

Energy and Commerce

Summary:

The bill amends the Public Health Service Act and provides new authority to the Secretary of Health and Human Services concerning bioterrorism preparedness for public health emergencies. It requires the Secretary to develop and implement a plan that includes the development of specific criteria to measure the progress made at the national, State, and local levels toward achieving bioterrorism preparedness. It requires an adequate national strategic pharmaceutical stockpile of vaccines, therapies, and medical supplies for use at the Secretary's discretion. It requires the Secretary, not later than 48 hours after a declaration of a public health emergency, to provide a written declaration to Congress. It increases the authorization of appropriations for fiscal year 2002 noncompetitive (currently, competitive) grants to improve State and local public health agencies to address core public health capacity needs using the capacities, with a particular focus on building capacity to identify, detect, monitor, and respond to threats to the public health. It establishes a State Bioterrorism Preparedness and Response Block Grant Program to enable States respond to biological threats and attacks. It requires the President's Council on Food Safety to develop a crisis communications and education strategy with respect to bioterrorist threats to the food supply and directs the Secretary of Health and Human Services to expand the capacity of the Food and Drug Administration to ensure the safety of the food supply and its coordination with other appropriate regulatory agencies, States, localities, and Indian tribes. Additionally, the bill expands the authority of the Food and Drug Administration with respect to food presenting a serious threat.

Cost: Though a cost estimate was not available, the primary budget implication is the

> authorization of appropriations, which are not categorized as direct spending. Funds for these authorizations may only be obligated as a result of subsequent appropriations acts.

It has not been finally determined whether this legislation will increase direct spending, **Budget Act:**

though no mandatory programs are immediately apparent. The bill is not expected to cause a loss in revenue. Preliminary indications are that it will not cause a violation of the

Budget Act.

The House Committee on the Budget

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